THE VICE-CHAIRMAN (SHRI H. NUMANTHAPPA): Now, I will put the second Bill to vote. The question is:

"That the Bill further to amend the Indian Post Office Act, 1898, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE--CHAIRMAN (SHRI H. HANUMANTHAPPA): We shall take up clause-by-clause consideration of the Bill. There is one amendment but the mover is not present.

Clause 2 and the Sehedule were added to the bill.

Clause 1, the Enacting of Formula and the Title were added to the Bill.

SHRI SANTOSH MOHAN DEV: Sir, I move:

"That the Bill be returned."

The question was put and the motion was adopted.

THE SHIPPING DEVELOPMENT FUND COMMITTEE (ABOLITION) BILL, 1986

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): Mr. Vice-Chairman, Sir, on behalf of Shri Vishwanath Pratap Singh, I beg to move:

"That the Bill to abolish the Shipping Development Fund Committee constituted under the Merchant Shipping Act, 1958, and to provide for certain matters incidental thereto, as passed by the Lok Sabha, be taken into consideration."

The Government of India has taken several positive steps in the past with the primary object of building up a self-reliant merchant fleet, capable of meeting the needs of the country during peace and war. One of these was getting up of the Shipping Development Fund Committee (SDFC) in 1959, initially to finance acquisition of ships and subsequently fishing trawlers, from indigenous shipyards and from abroad. Over the years, apart from promoting a significant increase in national tonnage both in the general shipping sector and in the fishing trawler industry, the SDFC has contributed significantly to the emergence of India as an important maritime nation in the developing world.

In the past decade shipping industry has passed through a very difficult period because of world-wide recession and sharp decline in freight rates. This has imposed a considerable financial burden on the SDFC and has affected its ability to finance new ship acquisitions. It has, therefore, become necessary to evolve a new financing mechanism for extending adequate support to shipping and trawler industries. After a careful review it has been decided by the Government to wind up the SDFC and to create a new financing agency in the place of SDFC which would have wider financial resources and greater flexeibility of operations.

We have already given an indication of the arrangements for the new financial agency being contemplated by Government, in the statement made in this House on 13th November, 1986, Action has been initiated to establish the new institution.

The present Bill is intended to give effect to the decision to wind up SDFC. It is the intention that on abolition of the shipping Development Fund and the SDFC, the assets and liabilities should vest in the Government and that these should not be passed on to the new financing institution direct, lest the new institution should start with a heavy liability of carrying SDFC's losses in its books which would in turn affect its capacity to raise funds to support shipping. It is, therefore, envisaged that the new financial agency will manage the assets and liabilities as an agent of the Government. In all contracts between the SDFC and agencies within and outside India, Government of India would step into-

P.M.

[Shri B. K. Gadhvi]

the shoes of the SDFC without any need for contracts to be re-entered. Similarly, pending cases would not abate by abolition of SDFC; instead, the Central Government would be substituted for SDFC.

Based on the experience of the working of SDFC and the difficulties faced by it in effecting recoveries of dues from shipping companies, it is felt that the Government should assume special powers to facilitate more effective and quicker recoveries of dues to the Government from shipping companies,, on abolition of SDFC. These special powers would include powers to call for repayment of loans before agreed period, to appoint receiver without intervention of court, to appoint directors and administrators of shipping concerns, notwithstanding the provisions of the Companies Act, 1956, to recover dues as arrears of land revenue, etc. Such powers would be exercised by the Government of India itself or through an agent. The present Bill seeks to achieve these objects.

With these words, I commend the Bill for the consideration of the House.

The question was proposed.

SHRI GHULAM RASOOL MATTO (Jmmu and Kashmir): Sir, I rise to support the Bill. There are a few points that I want to bring to the kind notice of the hon. Minister. First of all, I would bring to his kind notice that the Bill that has been sent to us in clause 4(b) says: "...all properties, movable and immovable, including caste balances". It should be "cost" balances, I do not know whether "caste" has also any balances. Because the Bill has been circulated to us in this form, I think an official motion has to be moved by him correcting it as "cost" or whatever it is.

Sir, it is a welcome step, but the hon. Minister has not given us any indication as to the present state of affairs. I would request him to kindly let us know the present state of affairs of the Shipping Development Fund Committee. What are the losses that they will inherit, after taking into consideration the bad debts, that is, debts that have been declared bad? Of course there may be other debts which may become bad later on. But the bad debts that have been included in the balance-sheet should also be included so that we know the exact position.

The second point is that in the Statement of Objects and Reasons, it is stated:

> "Although the SDFC performed well its role as a developmental body, its record in respect of enforcing recovery of loans extended by it has been well below expectations."

So far as I know—may be the Minister will kindly clarify—there was nothing in the earlier Act which barred the SDFC from recovering loans. What is the new element introduced in this new Bill that will enforce realisation of these loans? With these small objections and clarifications, I support the Bill and I request the Minister to kindly react to the points that I have made.

SHRI M. A. BABY (Kerala): Mr. Vice-Chairman, I do not want to take much of your time. I would just make only one specific point. In the Statement of Objects and Reasons there is a statement:—

> "Although the SDFC performed well its role as a developmental body, its record in respect of enforcing recovery of loans extended by it has been well below expectations."

What does this mean? It means failure of the SDFC in not recovering the loans it extended to private shipping companies. While it can be termed as failure of SDFC, it has also been a success of the private shipping companies. I hope the honourable Minister will take note of this, and the only question I would like to ask is even after having such experience, why the Government is not coming forward with a legislation to nationalise all private shipping companies. Taking this opportunity I would like to demand that the Government should immediately come forward with appropriate legislation so that the shipping industry in our country is nationalised, because in this field there

need not be any competition and it would be better if there is a monopoly of the State sector in shipping industry because it concerns with our friendly relations with the international community. Taking these facts into account, while extending our general support to the Bill in order to abolish the Shipping Development Fund Committee, I reiterate the demand that the shipping industry in our country should be nationalised. There is no necessity of private shipping companies being entertained and the national exchequer being opened and kept at the disposal of the private shipping companies.

SHRI YALLA SESI BHUSHANA RAO (Andhra Pradesh): Sir, the present Shiping Development Fund Committee (Abolition) Bill, 1986 is intended to abolish the Shipping Development Fund Committee constituted under the Merchant Shipping Act 1958. This Committee has been created under Section 15 of this Act in 1959. Though the Government wanted to abolish this Committee, this Committee did well as far as developmental activities were concerned. But the reason given for its abolition was that the Committee was not able to collect the money that was due to it. Then I would like to know from the Minister were the money has gone, how many private trading companies are involved in this, how many have taken the money and invested it in other business, in business other than shipping. Will the Government be able to realise all that money? As per the Financial Memorandum of the Bill the amount to be recovered is as much as Rs. 626 crores. So I would like to ask the Minister whether, when the revenue recovery Act comes into force, the previous contracts and agreements which are there, can have validity before law courts by taking recourse to the revenue recovery Act. While I seek clarification on these points from the Minister, I wish to emphasise that while the shipping industry has to be developed for the commerce of the country, it is equally necessary that harbours are also developed. Unless the harbours are developed, nothing can be useful. If commerce has to develop, harbours have to be developed. In the Bill I do not find any mention as to how you propose developing the whole of the shipping industry. I request the Minister to throw light on the developmental aspects.

श्री राम अवधेश सिंह (बिहार) : महोदय, जिन उद्देश्यों की चर्चा इस बिल को यहां प्रस्तुत करने में की गई है उनको समझने में मैं असमर्थ हूं। आखिर इस सरकार को क्या हो गया है ? आज जितने भी बिल यहां पर रखे गये हैं, जो आज की सूची में हैं उनमें इस सरकार का फासिज्म का रूप दिखाई पड़ता है। सारी पावर्स केन्द्रीय सरकार को दी जा रही है। क्या यह सरकार सत्ता की इतनी भूखी हो गई कि सारी सत्ता का केन्द्रीयकरण चाहती हैं, सारी पावर्स अपने हाथ में लेना चाहती है ? यह कहा गया है कि यह जो शिपिंग डेवलपमेंट फण्ड कमेटी है, यह बड़े अच्छे ढंग से काम कर रही है थी। इसके काम के बारे में सरकार को कोई असंतोष नहीं है। इसके बारे में असंतोष केवल इतना ही है कि यह जो फण्ड खर्च कर रही है, वह पहले ठीक से नहीं कर रही थी। इसकी रिकवरी या रिग्लाइजेशन ठीक से नहीं हो रहा था। केवल यही शिकायत है जिसके आधार पर सरकार इसको भंग करके सारी पावर्स अपनी हाथ में लेना चाहती है। इस कमेटी ने जो 626 करोड़ रुपये खर्च किये हैं उसमें से कितने रुपये इसने रिग्लाइजेशन किये हैं और कितने अभी बाकी हैं। यह भी पता नहीं है कि किस परपज के लिये ये रुपये खर्च किये गये हैं। मैं चाहता हूं कि जो शिपिंग डेवलपमेंट फण्ड कमेटी है उसके जो इम्पलाइज हैं, जो उसके कर्मचारी हैं, क्या वे सारे के सारे जो नई एजेंसी बनेगी, उसमें से ले लिये जायेंगे, कहीं उनकी सर्विसेज तो टरमिनेट नहीं कर दी जायेगी ? मुझे इसका खतरा दिखाई देता हैं। इस बारे में सरकार ने कोई आश्वासन नहीं दिया है। सबस बड़ा खतरा यह है कि जो इंडस्ट्रियल डिसप्यूट ऐक्ट है उसके अन्तर्गत कर्मचारियों को जो प्रोटेक्शन दी गई है, उन को कोर्ट में जाने का अधिकार हैं, उसके बारे में भी कर्मचारियों के अधिकार छीन लिये गये हैं। सारे अधिकार केन्द्रीय सरकार अपने हाथ में लेना चाहती है।

[श्री राम अवधेश सिंह]

इसमें मुझे उसका नंगा फासिज्म का रूप दिखाई देता है। अभी पहले जो पोस्ट आफिसेज का बिल पेश हुआ था उसमें भी हमें इस सरकार का फासिज्म का नंगा रूप दिखाई दिया था। ये सब बातें जनतंत्र को खत्म करने वाली हैं। ये सब व्यक्तिगत अधिकारों को खत्म करना चाहते हैं। केवल शिपिंग डेवलपमेंट फण्ड कमेटी ही ऐसी एजेंसी नहीं है, सरकार की और भी बहुत सी एजेन्सीज हैं, 90-95 प्रतिशत ऐसे अंग है जहां पर जो पैसा खर्च होता है उसकी रिकवरी नहीं होती है। इस आधार पर तो आपको उन सब को खत्म कर देना चाहिये। क्यों नहीं आप बिहार में विस्कोमान के खिलाफ कार्यवाही करते हैं? वहां पर जिस ढंग से रुपये का दुरूपयोग हो रहा है, जिस प्रकार से रिकवरी नहीं हो रही है उसको देखते हुये आप उसके खिलाफ कार्यवाही क्यों नहीं करते हैं? ये लोग जो पैसा सरकार से लेते हैं उसको वापस नहीं करते हैं। आप तो सिर्फ सत्ता का केन्द्रीयकरण करना चाहते हैं। जनतंत्र का मतलब होता है सत्ता का विकेन्द्रीयकरण। श्री राजीव गांधी की सरकार चाहती है कि सारी सत्ता उसके हाथ में आ जाय। कुछ दिनों के बाद तो आप म्युनिसिपैलिटी को भी खत्म कर देंगे। आपकी इस प्रकार की मनोवृत्ति हो गई है, इस प्रकार का ट्रेन्ड चल रहा है। ऐसी स्थिति में मैं समझता हूं कि इस बिल की कोई आवश्यकता नहीं है। आप लोगों को जो यह शिकायत है कि रिकवरी में गड़बड़ी होती है उसको आप अपनी मशीनरी को टाइट करके ठीक कर सकते हैं। इसलिये आप इस बिल को वापस लीजिए। इसकी कोई जरूरत नहीं है। यह बिल्कुल जाहियात बिल है।

SHRI B. K. GADHVI: Sir, I am thankful to Mr. Matto. He has drawn our attention to a printing error. In section 4(b) — in the Bill passed by the Lok Sabha there is no mistake — it should have been 'cash' and not 'caste'. So it is only a printing error.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): It is correct. It is 'cash' only. No amendment is necessary.

SHRI B. K. GADHVI: In that case, I thank you, Sir.

Now, so far as the main objection that has been raised is concerned, it is that the SDFC, if it helped the shipping industry then why it is being abolished. There are two reasons. One is that it did help, because when the SDFC was established at its inception, our tonnage capacity was 7 lakhs, and in March 1985 our tonnage capacity became 63.6 lakhs. Out of this, the total increased capacity, 87 per cent has been acquired with the help of SDFC and, therefore, we have submitted before the House that so far as the development of shipping industry is concerned, its performance is good. But there are huge overdues and outstandings, not because of any fault on their part but because of other extra reasons like global recession, rates reduction in freight internationally, as well as international competition. It is because the industry itself is presently under trouble and crisis. This was a regulatory body, not incorporated under the Company Law; it was an advisory body in the sense that the funds were released to the private sector as well as the public sector through budgetary supports as well as from Shipping and Transport Ministry that was existing at that time. This agency's powers were very limited.

Now, you will appreciate that so far as our fishing potentiality is concerned, we need trawlers. So far as the shipping industry is concerned, we need to sustain them, we need to encourage them. Therefore a new agency which can finance both, is contemplated, and it is to be established under the Company Law, where better management, viability of projects and other things could be examined.

Hon. Members wanted me to give some figures. Under the SAFALINS Scheme, Sir, in the public sector the loan sanctioned was Rs. 339.16 crores, the loan disbursed was Rs. 339.16 crores, the loan repaid was Rs. 169.40 and the loan outstanding is Rs. 169.76. In the private sector the outsanding loan is Rs. 129.85 and overdues are Rs. 37.65 crores. This means that in the public and private sectors the total outstanding was Rs. 37.65 crores and

the overdues will come to Rs. 625 crores it is subject to correction. Of course, of these loans the recovery is to be made. Therefore, we are saying that whoever steps into the shoes of this S.D.F.C., the recovery by various modes would be instituted. One of the methods would be recovery as land revenue. The S.D.F.C., *per se*, by itself cannot cope up and the financial institutions would not also come to its assistance. Therefore, it is better that we create a new institution by amending the Merchant Shipping Act as proposed.

श्री राम अवधेश सिंह : यह जो नयी संस्था बनाएंगें, क्या इसमें लोन रिक्वरी की समस्या खड़ी नहीं होगी ।

श्री बी० के० गढ़वी : यह अर्थशास्त्र की बात है तो मैं जरा धीरे से समझाउंगा ... (**व्यवधान**) यह आर्थिक नीति की बात है इसको आप देखें ज्यादा ध्यान से देखें फिर बात करें : ... (**व्यवधान**)

श्री राम अवधेश सिंह : पूरी आर्थिक विफलता है । इस नीति की क्या बात है ... (**व्यवधान**) बहुमत है तो जो मनमें आये करा लीजिए ।

SHRI B. K. GADHVI: This is the very reason. Since we have to establish a new agency for this, we have brought this Bill. If the hon. Member wants to know more, I can further explain to him. But I don't think there is that there is much time to do it. Therefore, I request that the Bill may be taken into consideration.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA):

The question is:

"That the Bill to abolish the Shipping Development Fund Committee constituted under the Merchant Shipping Act, 1958, and to provide for certain matters incidental thereto, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): We shall now take up clause-by-clause consideration of the Bill.

Clause 2 to 20 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI B.K. GADHVI: Sir, I move:

"That the Bill be passed."

The question was put and the motion was adopted.

THE VICE-CHAIRMAN (SHRI H. HANUMANTHAPPA): We shall now take up the consideration of the Consumer Protection Bill, 1986 and other Bills. All these Bills will be taken up together. This is the decision of the Business Advisory Committee.

SHRI B. SATYANARAYAN REDDY (Andhra Pradesh): Sufficient time should be given to Members.

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1. THE CONSUMER PROTECTION BILL, 1986

2. THE STANDARDS OF WEIGHTS AND MEASURES (AMENDMENT) BILL, 1986

3. THE STANDARDS OF WEIGHTS AND MEASURES (ENFORCEMENT) AMENDMENT BILL, 1986

4. THE ESSENTIAL COMMODITIES (SECOND AMENDMENT) BILL, 1986

5. THE DRUGS AND COSMETICS (AMENDMENT) BILL, 1986

6. THE PREVENTION OF FOOD ADULTERATION (AMENDMENT) BILL, 1986

7. THE MONOPOLIES AND RESTRICTIVE TRADE PRACTICES (AMENDMENT) BILL, 1986

8. THE AGRICULTURAL PRODUCE (GRADING AND MARKING) AMENDMENT BILL, 1986

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF FOOD AND CIVIL SUPPLIES (SHRI H. K. L. BHAGAT): Sir, I beg to move:

"That the Bill to provide for the better protection of the interests of consumers and for that purpose to make